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Annual Report

1997 - 1998





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Science North is an agency of the Ontario Ministry of Citizenship,
Culture and Recreation.

Ce rapport annuel est aussi disponible en français.

Fast Facts

(April 1, 1997 - March 31, 1998)

Education Programs

Operating Budget	\$7,083,500
Total Attendance	451,627
Family/Individual Memberships	2,748
Gold (Corporate) Memberships	122
Employees	55 (permanent)
.....	179 (casual, contract and hourly)
Volunteers	224 (12,000 hours)

School Groups

Science North/IMAX/Big Nickel Mine

Total Attendance	41,531
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Northern Community Programs

Northeastern Ontario

Discovery Camp	398 participants (5 communities)
Revenue Workshops	444 participants
Birthday Parties	619 children
Overnight Camp-ins	1,888 participants
Outreach Programs	17,500 participants
150,000 participants	(18 days in Southern Ontario)

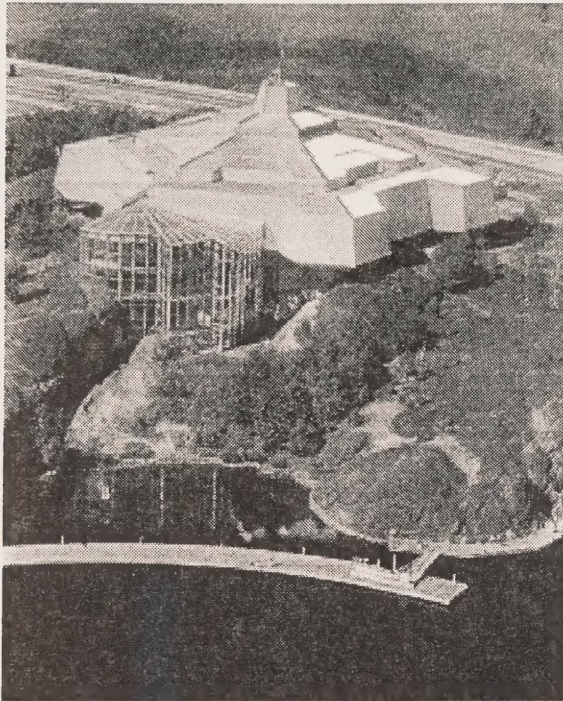
Thunder Bay Science Centre (closed March 22, 1998)

Attendance	8,733 visitors
Discovery Camp	324 participants (5 communities)
Revenue Workshops	1,188 participants
Family Memberships	93
Outreach Programs	8,496 participants

Attendance

194,353	Science North
136,533	Science North IMAX Theatre
68,748	Virtual Voyages
49,371	Big Nickel Mine
<u>2,622</u>	Path of Discovery
451,627	TOTAL ATTENDANCE

Introduction



Science North, located in Sudbury, is Northern Ontario's largest tourist attraction and a major educational resource of international repute. Close to 3 million visitors have experienced Science North since it opened its doors in 1984.

Science North has gained an international reputation for its high standards of science exhibit development and for its approach to self-directed learning through visitor participation.

Science North consists of four distinct attractions: a hands-on science centre, a 200-seat IMAX theatre, an interpretive mine and a 12-seat motion simulator. Together, these attractions have created a thriving tourist industry in the Region of Sudbury and a centre for science education for residents across the North.

Mission Statement

The mission of Science North in serving Northern Ontario is to create and market high quality science education and entertainment experiences and products which involve people in the relationship between science and technology and everyday life. Science North provides its customers fun, participatory experiences in English and French.

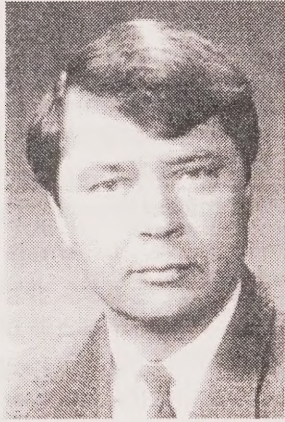
Strategic Objectives

Science North will be a leader in the world science centre community by offering, rich, continuously changing science experiences based on our Characteristics of Excellence delivered by a credible and dedicated staff.

Science North will operate a quality family entertainment centre for Northern Ontario and invest its profits in the science program.

Science North will create and market outstanding science education products for clients around the world and invest the profits in the science program.

Letter from the Chair



The Honourable Isabel Bassett
Minister of Citizenship, Culture and Recreation
Queen's Park
Toronto, Ontario

Dear Minister:

On behalf of the Board of Trustees, it is my pleasure to submit to you the Annual Report for 1997-98.

The year was made significant by initiatives that will increase our level of self-generated revenues. Two of the three strategic goals identified in the 1996 to 2000 Science North Strategic Plan are directly related to revenue generation: the establishment of Science North as a family entertainment centre and the sale of science products to clients around the world.

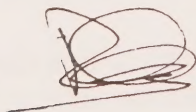
The opening of "Virtual Voyages" in May, 1997, has strengthened Science North's positioning as a source of daytime and evening family entertainment. Revenues generated from this new attraction and from the Science North IMAX Theatre will further support our Science Centre's educational programs.

We gratefully acknowledge the Government of Ontario's role in making this major capital expansion possible through the Northern Ontario Heritage Fund Corporation. The support received through the Government of Canada's Transitional Jobs Fund and the generosity of many corporate and community donors is equally and greatly appreciated.

Science North Enterprises, a self-sustaining division of Science North, is achieving international recognition as a respected source of science exhibits, multi-media theatre and consulting services. Science North has also entered the international market of large-format film production with the launch of "Gold Fever".

The Science North Board of Trustees congratulates the staff of Science North for their talent and initiative to develop and market new products while maintaining the delivery of quality science programs and exhibits for the benefit of tourists and residents of Northern Ontario.

We wish to thank your Ministry for your ongoing support. We look forward to working with you as we continue to build on our success.



Sincerely,
Risto Laamanen
Chair

Report from the Chief Executive Officer



Initiatives launched in 1997-98 furthered Science North's ongoing objective to create new sources of revenue that will protect our centre's mission to develop and deliver quality science programs and exhibits.

The May 15 opening of Virtual Voyages, Northern Ontario's first permanent motion simulator, had an immediate impact on Science North gate revenues. Together, the Science Centre, Big Nickel Mine, Science North IMAX Theatre and new Virtual Voyages adventure ride had over 450,000 visitors in 1997-98, establishing Science North as Northern Ontario's top year-round attraction.

Science North Enterprises, our international marketing and product sales division, continued to improve and expand its product line and client base. Sales in 1997-98 included two custom-designed, multi-media theatres for science centres in Maryland and Louisiana. Orders were also received from international clients for science exhibits that are designed and manufactured at Science North.

Science North stepped into the world of international filmmaking in August, 1997, with production of our first large-format film. "Gold Fever" is scheduled for release in June, 1999, to a world-wide network of IMAX Theatres. Five international gold mining corporations have invested \$4.5 million in the project. Science North will own distribution rights to the film, generating profits as it is released and will profit from the sale of film production services.

All profits from exhibit and production sales are invested in new exhibit development at Science North. Science North hopes that by 2001, these profits will equal the annual grant for exhibit renewal that was withdrawn by the Ministry in 1996.

Revenue generators enabled the delivery of quality science experiences in 1997-98. "K'NEXplorations" explored the science of engineering through a major exhibition of the popular, children's construction set. "Secrets from the Sun," a new multi-media theatre created and developed by Science North staff, brings conceptual physics to a general audience level.

These accomplishments attest to the talent and dedication of Science North staff, volunteers and Board of Trustees. Science North will continue to evaluate operating practices to remain as efficient as possible and we will capitalize on revenue opportunities to strengthen our science program. With the ongoing support of the Ministry and our community, we will continue to succeed.

A handwritten signature in black ink, consisting of a stylized first name and a longer, more complex last name.

James Marchbank,
Chief Executive Officer

Science Program Highlights

Science North fulfills its strategic objective to offer rich, continuously changing science experiences, in part, by staging one-time special events that would otherwise be inaccessible to residents of Northern Ontario and beyond.

Science North furthered its strategic objective with the development of new science exhibits and programs to maintain the relevancy of its science experience and the interest of its many repeat customers.

Backyard Monsters

Science North wrapped-up a successful special event on April 2, 1997. "Backyard Monsters", featuring large-scale robotic insects and related science programs, attracted more than 30,000 visitors over three months. The special event included Science North's first "butterfly house", a temporary structure housing tropical plants and living butterflies. Visitor response to the temporary exhibit was overwhelming, prompting staff to begin research into the feasibility of a permanent butterfly facility. "Backyard Monsters" was promoted with the support of media sponsors: MCTV, The Sudbury Star, The North Bay Nugget, The Elliot Lake Standard and Pelmorex Radio in Sudbury, North Bay and Elliot Lake.

K'NEXplorations

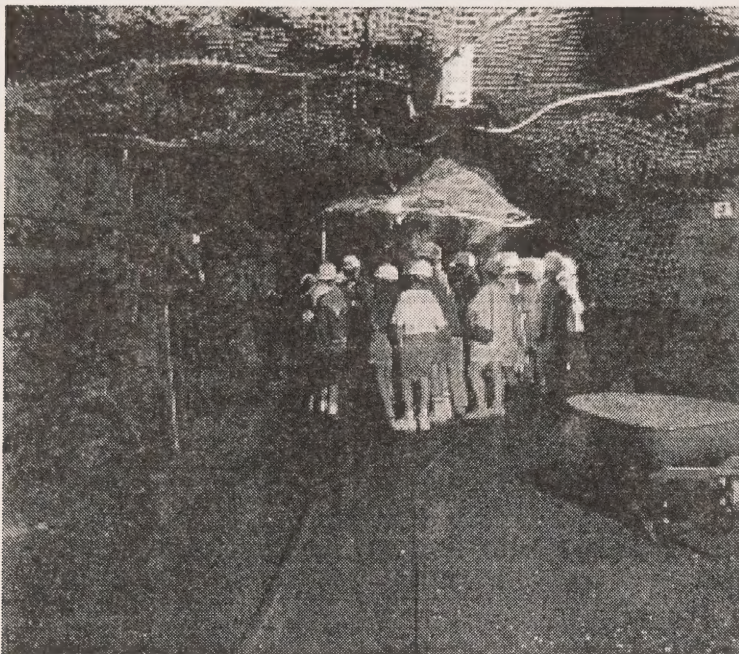
Science North's major special event for the year was "K'NEXplorations", an exhibition of exhibits and activities dedicated to the award-winning, colour-coded construction set. In a four month period, between December, 1997 and March, 1998, close to 50,000 people participated in the event. Activities included K'NEX building stations, motorized K'NEX race cars and a display of K'NEX models, including a seven-foot-tall spinning ferris wheel and a 90,000-piece, 12-foot-long replica of Science North. "K'NEXplorations" at Science North was sponsored by Pepsi Cola Canada Beverages and was promoted with the support of Telemedia Radio in Sudbury.

Secrets from the Sun

The Sudbury Neutrino Observatory (SNO) at Inco Ltd.'s Creighton Mine is widely regarded as one of this century's most important international scientific research projects. Located two kilometres beneath the earth's surface, SNO is designed to capture "neutrinos", invisible particles from the Sun. Typically, scientific research of this calibre would be inaccessible to the public but Science North opened a new "object theatre" on July 3, 1997, to bring the project within reach of the average person.

"Secrets from the Sun: The story of the Sudbury Neutrino Observatory at Inco's Creighton Mine" wraps leading-edge science and engineering in an entertaining and easy-to-understand package. Exclusive film footage of the observatory is combined with artifacts, special effects and cartoon superhero "Captain Neutrino" to tell the story of neutrinos and current scientific research.

"Secrets from the Sun" was developed by Science North with the financial and technical support of SNO, which provided \$75,000 for the project, in association with Inco Ltd.



Big Nickel Mine is a seasonal attraction operated by Science North. From May to October, the Big Nickel Mine features guided tours of an underground mine environment, where visitors learn about mining methods and technology. On surface, various activities invite further exploration of Northern Ontario's mining industry. Visitors can pan for gold, play with scientific tools in an environmental lab, and operate remote-controlled mining equipment. New activities are introduced each season to maintain the interest of repeat customers.

Big Nickel Mine

In November, 1997, Laurentian University Engineering students donated their time and expertise to assemble an outdoor play structure for children. Funding for the new "Big Nickel Playground" was obtained through community sponsors, led by Ethier Sand & Gravel Ltd., Falconbridge Ltd., Tamrock and the J.P. Bickell Foundation. Additional sponsors were: Equipment North Inc., Inco Limited, M & G Fencing Inc., Sheridan-Hansman Equipment, Sudbury Iron & Copper Ltd. and the Catherine and Maxwell Meighen Foundation. Support was also received through: Cameco Gold Inc., the City of Sudbury, Fisher-Wavy, French River Trading Post, Gainsford Trucking & Ex., Ground Control (Sudbury) Ltd., Henderson Recreation Equipment Ltd., Lichee Garden Restaurant, LOEB, Parts Headquarters Inc. and William Day Construction Ltd.

School programs

Science North markets science workshops to local and visiting schools. All programs are available in English and French. In 1997-98, 41,531 students and teachers visited the Science Centre, Big Nickel Mine and IMAX Theatre.

For a ninth consecutive year, les Caisses Populaires de l'Ontario Région de Sudbury purchased school memberships on behalf of Sudbury-area French language students. This initiative is supported by les Caisses Populaires de l'Ontario Région de Alban, Noëlville, St. Charles Borromée and Succursale de Warren. Science North school memberships provide students and teachers with complimentary admission to science workshops, exhibits and special events during the academic year.

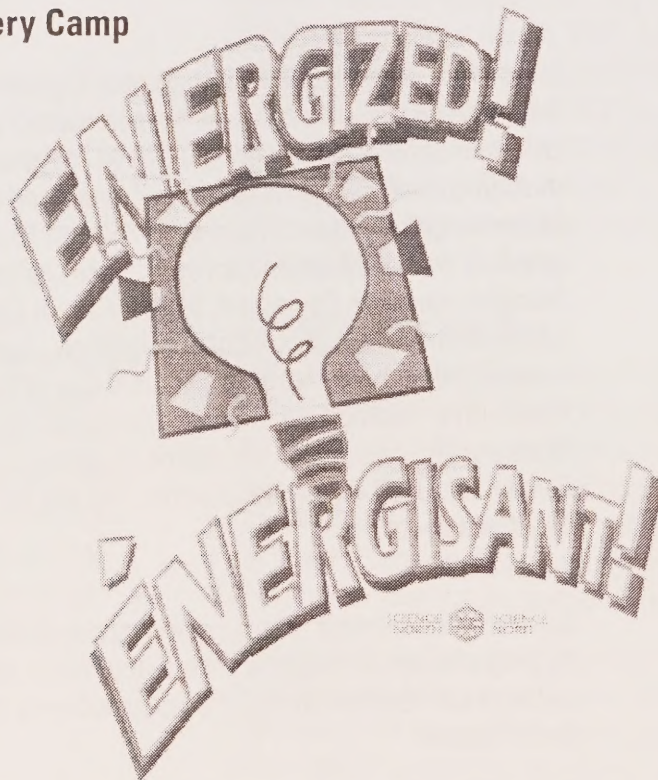
Science in Northern Ontario

Science North-Thunder Bay

Science North - Thunder Bay, a community science centre for North-western Ontario, celebrated its first anniversary in June, 1997. Located on the upper level of Victoriaville Centre, the facility offered unique learning opportunities to Northwestern Ontario residents. Programs included "Science for Tots" workshops and popular Science North exhibits, including a walk-on keyboard and a "star" dome.

The science centre also served as a base for community outreach programs in the Northwest. Despite the best efforts of staff and volunteers, it became apparent by March, 1998, that Science North - Thunder Bay could not be maintained given less than projected attendance and declining provincial revenues for operations. Science North-Thunder Bay closed on March 22, 1998.

Discovery Camp

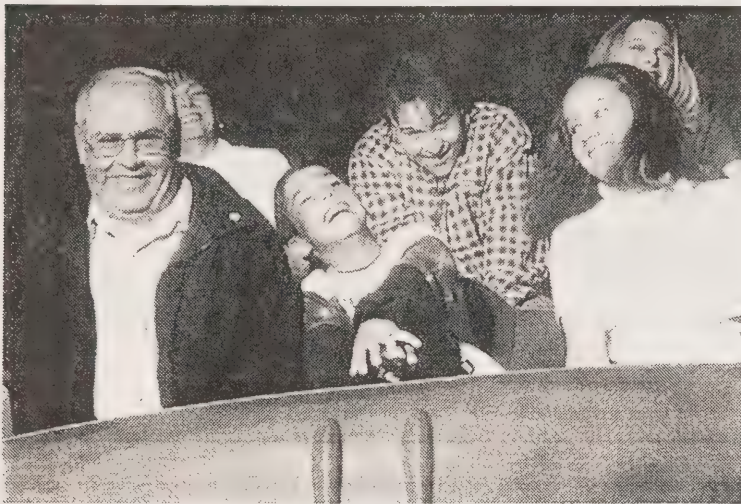


Science North's long-running science day camp for children ages 8 to 12 enjoyed another successful summer season. Theme for Discovery Camp '97 was "Energized", an exploration of solar energy, water flow, wind power, human potential and energy conservation, presented with the financial support of Ontario Hydro.

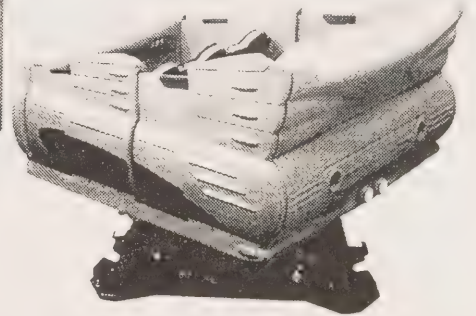
During the summer of 1997, Discovery Camps were offered in Sudbury, Timmins, Kirkland Lake, Little Current and Sault Ste. Marie in the Northeast and in Thunder Bay, Kenora, Dryden, Sioux Lookout and Atikokan in the Northwest.

Family Entertainment Centre

Virtual Voyages Adventure Ride



Science North strengthened its position as a family entertainment centre with the May 15, 1997 opening of Northern Ontario's first permanent motion simulator, "Virtual Voyages", a product of Toronto-based SimEx Inc.



Virtual Voyages joins the Science Centre, IMAX Theatre and Big Nickel Mine as a fourth major attraction for Science North. The adventure ride features two six-seat platforms that move in synchronization with fast-action film on a 7-metre-by-3-metre (24-foot-by-11-foot) screen. The large film format and powerful sound system immerse riders in a variety of adventures.

Science North opened its Virtual Voyages adventure ride with the North American premiere of "MARS", a fantasy adventure in outer space. A second ride, "The Ultimate Roller Coaster", opened in late June for the summer tourist market.

During its first peak operating season, from June to September, 1997, Virtual Voyages achieved its pre-opening attendance target of over 50,000 riders. In its first 11 months of operation, to March, 1998, close to 69,000 tickets were sold for the new attraction.

Virtual Voyages created an additional opportunity to expand Science North's main lobby by 388 square metres (4,200 square feet). At the same time, a new 182 square metre (2,000 square foot) storefront was created for the Science North "Whizards" Gift Boutique. The Science North IMAX Theatre "Café Boreal" snack bar was enlarged and the menu expanded to cater to late-night crowds. The overall effect is a more spacious, appealing lobby with increased capacity for Science North events and community rentals.

The expansion was made possible with a \$500,000 investment through the Government of Ontario's Northern Ontario Heritage Fund Corporation and a \$400,000 investment through the Government of Canada's Transitional Jobs Fund.

Science North launched a successful community fundraising campaign that netted \$241,437 in cash donations for the project through corporations and individuals. Sudbury media donated an additional \$210,000 in promotional airtime and newsprint to carry Virtual Voyages through its first operating season.

All Day Passport

Virtual Voyages presented Science North an ideal opportunity to wrap its attractions in one package price. Science North's All Day Passport provides visitors admission to any combination of six attractions: Science Centre, Big Nickel Mine, three to five IMAX films and up to three Virtual Voyages adventure rides.

Results were tremendous. Science North had projected sales of an average 40 Passports per day during the concept's inaugural tourist season. Actual sales during July and August, 1997 were 192 per day. Overall, during 1997-98, Science North sold over 13,000 All Day Passports.

Virtual Voyages and the IMAX Theatre have extended Science North's operating day from eight hours, previously offered by a stand-alone Science Centre, to more than 12 hours. Longer hours attract larger audiences. Attendance at the Science North IMAX Theatre increased by more than 6,000 to 136,533 in 1997-98, compared to the same period in the previous year.

Science North IMAX Theatre



Legendary driver Mario Andretti made a special appearance to open "Super Speedway" at the Science North IMAX Theatre. His itinerary included a model car race with 11-year-old Nick Bergeret of Hanmer, near Sudbury. Nick won the opportunity to "race" Andretti by entering his name in a draw at the Science Centre.

Super Speedway, a thrilling look at high-speed auto racing, offered multiple program opportunities during its June to September premiere at the Science North IMAX Theatre. Racing legend Mario Andretti made a special appearance at Science North for the film's opening. In the Science Centre, staff assembled "The Pit", a display of race car tires, technology and computer simulations.

Marketing of *Super Speedway* included a contest aired through the MCTV Northeastern Ontario broadcast region. Viewers competed for tickets and return air fare to the 1997 Molson Indy in Toronto and Vancouver, donated by MolStar Sports and Entertainment and Air Ontario/Air Canada. On-site marketing included a contest draw for a two-year car or truck lease, donated by Cambrian Ford Superstore in Sudbury.

From January 30 to February 15, 1998, Science North presented its second "IMAX Festival". The Festival, featuring 12 giant-screen films over a period of 17 days, is designed to boost attendance during an otherwise low traffic season. Close to 6,000 tickets were sold for the event with additional spill-over benefits to the Science Centre, Virtual Voyages Adventure Ride and food services. Cost of bringing the films to Sudbury was partially covered by local sponsors: Muirhead Stationers Inc., Investors Group, The Travelway Inn and the Montpellier Group Inc. Event promotion was sponsored by MCTV with donated television airtime.

All IMAX films receive marketing support from local media. Donations of airtime and print allow Science North to double its advertising budget in Sudbury and Northeastern Ontario markets. Regular media sponsors are: MCTV, Telemedia Radio, The Sudbury Star, Pelmorex Radio, Northern Life, The North Bay Nugget and The Elliot Lake Standard.

Community Events

Canada Day



Science North is the focal point of local Canada Day celebrations. Close to 10,000 attend this family-oriented, outdoor event each year. Concerts, games and other activities are offered free of charge, with the support of local sponsors. Fireworks and publicity are sponsored annually by Q-92 (Telemedia) Radio. Local sponsors for Canada Day 1997 included: Bingo One, Herby Enterprises Ltd., Heli-North Aviation Inc. and Indus Comm.

Festival of Lights

Science North has become the site of Northern Ontario's largest outdoor display of holiday lights, from November to January each year. Lights and labour are provided by the Sudbury Charities Foundation, which collects donations during the event for distribution to underprivileged children in the Sudbury Region.

New Year's Eve

Science North offers Sudbury's only alcohol-free, family-oriented New Year's Eve party. Science North's "New Year's Eve Family Festival" is a sell-out each year, with 1,500 tickets available. Publicity is donated on an annual basis by Q-92 (Telemedia) Radio. Local sponsors for the December 31, 1997 festival also included LOEB and The Sudbury Star.

Sales and Fundraising

Science North Enterprises

Reductions in provincial operating subsidies have been addressed by staff and the Science North Board of Trustees. Our focus is to create proactive vehicles that will enable Science North to thrive through continued renewal of its core function, science programs.

Science North Enterprises was founded in January, 1996, to market Science North expertise in exhibit design and production, 3-D film and multi-media film production and tailored consulting services. All profits from these sales are invested in science centre exhibit development.

Sales in 1997-98 included "Shark Attack", an original multi-media theatre production for the Columbus Centre in Baltimore, Maryland, and a second multi-media theatre, "Red River", created for the Sci-Port Discovery Centre in Shreveport, Louisiana.

Science North also sold the Sci-Port Discovery Centre four interactive exhibits: a xylophone made from drill-core mineral samples, two vision tests and a delayed speech synthesizer. The majority of interactive exhibits featured in the Science North Enterprises catalogue are designed and manufactured on site at Science North.

Large-format films

Science North stepped into the world of international filmmaking with the announcement it would begin production of its first large-format film. Filming of "Gold Fever" began in August, 1997. "Gold Fever" is scheduled for release in June, 1999, to a world-wide network of large-format theatres. Currently, there are more than 160 IMAX theatres in 22 countries and at least 80 more will open by the year 2000.

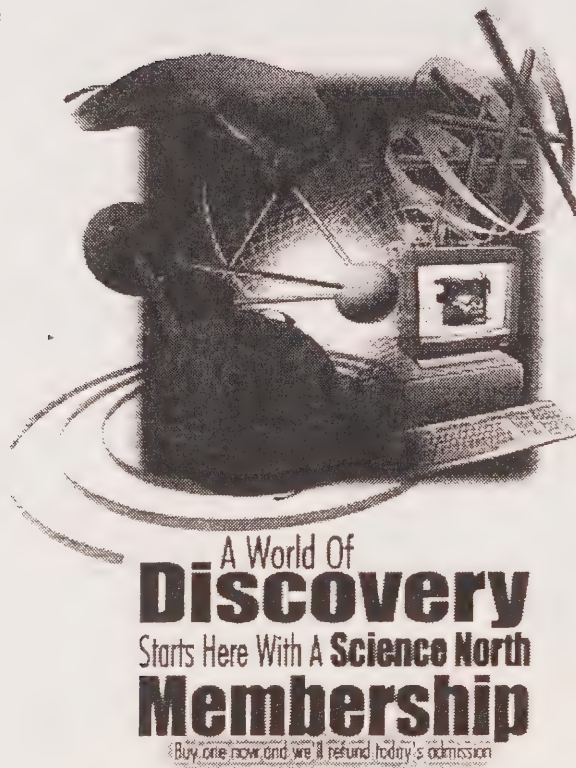
The film project has the financial backing of five international gold mining corporations: Barrick Gold Corporation, Homestake Mining Company, Newmont Mining Corporation, Franco-Nevada Mining Corporation Ltd. and Euro-Nevada Mining Corporation Ltd.

Science North will retain distribution rights to the film, generating a profit as "Gold Fever" is released to international audiences. Science North is also profiting from the sale of its production services to make the film. All profits will be re-invested in Science Centre exhibits and programs.

Science North Foundation

The Science North Foundation was founded in April, 1996, to administer charitable donations and fundraising. Its objectives are to enhance science education and public understanding of science in Northern Ontario by funding science exhibits at Science North and by funding Science North educational programs across the North. In 1997-98, the Foundation marked the successful conclusion of its Virtual Voyages fundraising campaign, achieving \$241,437 in corporate and community cash donations for the new Science North attraction. New initiatives included fundraising galas, lottery ticket sales, membership fundraising drives and revenue events, including a gourmet cooking class.

Science North Memberships



Science North's membership program was reviewed and amended in 1997-98. An extensive focus group analysis resulted in several changes to the membership program to enhance profitability while retaining its sales appeal. Overall, focus groups defined Science North's membership program as good value for an annual fee, an ongoing source of family education and entertainment, and an active vehicle to demonstrate support for an important community resource. As of March 31, 1998, Science North's membership base stood at 2,870, representing approximately 10,000 individuals.

Virtual Voyages Donors and Sponsors

Human Resources Development Canada

Northern Ontario Heritage Fund Corporation

Fleet Admiral • \$100,000 + MCTV

Admiral • \$50,000 + Q-92 FM & 790-CIGM MIX-105 & OLDIES-55

Captain • \$25,000 + The Sudbury Star The Sudbury Regional Development Corporation Copper Cliff Dairy

Commander • \$10,000 + Royal Bank of Canada LOEB Inc. Laurentian Publishing Air Ontario/Air Canada CIBC Risto & Aino Laamanen M.J. McLaughlin & Assoc.

Lieutenant Commander • \$5,000 + Bank of Montreal Bank of Nova Scotia KPMG Toronto-Dominion Bank Pepsi-Cola Canada Beverages

Lieutenant • \$2,500 + Ristorante Verdicchio Nicholls, Yellowwega, Belanger Architects SimEx Inc. Nestle Canada W. Bruce Martin Insurance Inc. North Star Computers

Simulator Cabin • \$2,500 Michael J. Needham Hope, James, Stuart & David Marchbank William Day Construction

Seats • \$1,000 Pinnacle Coffee Desmarais, Keenan Ron & Sue Lalancette Brenda & Glenn Graham Ron & Doreen Watt R.L. Gougeon Insurance Manitoulin Transport Muirhead Stationers Inc. Dino N. Rocca Colleen Zilio C & A Steel Centis Tile A.V. Gancher

Bruce Tait Construction
Ticket Mania
Stainless Steel Technology
Journal Printing
Interpaving Ltd.
Percy Witherell Plumbing & Heating Ltd.
Investors Group
North Star Computers

Electric Actuator • \$750 Nancy Marchbank

Flying Platform • \$750 Jennifer Pink & Chris Gore

Front Bumper • \$500 Kayla Kelly Dalron Construction Ltd.

Doors • \$500 Dr. Walter Curlook Pascal & Monique Sabourin Maureen Hennessy MDS Laboratories Investors Group

Tail lights • \$500 Leipciger, Kaminker, Mitelman & Partners Inc.

Exhaust pipes • \$500 Four Points Hotel Norman & Angela Bradley

Fins • \$350 Carl A. Nesbitt Public School Sandra J. Campbell C.G. Colwell, d.c. Joyce & Glenn Elliott Evans Homecare Building Centre Tasio, Karen, Kaitlyn & Stacy Gregorini Janine Pigozzo Ritari Travel Chloe Gordon & Andy Beland Rachel Prudhomme Mike Sylvestre Shiori Sudo George Vanier Public School

Bolts • \$50 Wye Investments Ltd. Jean Welsh Paul Picard & family Louise Gervais Dr. Debra & Dr. Gerry Bakker Edward & Darlene Paylor Lai-Fa Lum Jordon Barberio Jordan Barr Carson Barr Connor Barr Chantal Barriault Emily Buechli Midori Buechli Krista Lalonde Bracer Buechli Carol Brown

Cam Brown
Peter J. Checkeris
Megan MacDonell
Mr. Robert Dykstra
Dorothy Gifford
Jacob A. Hoffer
Andrew Johnson
Christopher Johnson
Uuno & Bertha Kreko
Kim Labrosse
Alex & Stanley McGillis
John Large
Doreen G. Morley
The McArthur family
Frank & Kathy Power
Anna L. Proulx
Anne Stevenson
Patricia Zilio
Lino Zilio
Stuart Marchbank
David Marchbank
Ian Marchbank
Graham Marchbank
Jamie Marchbank
Laura Marchbank
Katie Marchbank
Alex Marchbank
Raymond Guy
Mrs. Shinobu Sudo

Nuts — \$25 Elizabeth Aubin Robert Banks Christopher Simonato Michel Bonin The Brady family Andrea Chute College Notre-Dame Fern Corbeil Roger & Meta Cunningham Rita Dickie Paul H. Ellis The Fyon family Jessie Collins Sandy Gallagher Vibhor Garg La famille de Nelson Gauthier D.J. & Heather Hare Ari Jaakonmaki Pat & Tina Kelly B. Kemeny Andrew C. Knight Mike Kozlowski Alexandre Lacelle Melanie Lacelle Barbara Lindsay Helen Lyons Mattar Mary & Joseph Madden Christopher DiTommaso Laura Rowe Michael Storr Anita Thompson Sarah Topp Robert Topp Severo Zanatta Naomi Dickson



Human Resources

Science North's human resources continued its focus on greater efficiencies. In December, 1998, six full-time, permanent staff accepted an offer of voluntary exit packages. Subsequent re-engineering of departments has resulted in a more streamlined reporting system with an emphasis on self-management.

Staff training remains a priority of the centre. Full-time staff are regularly offered the opportunity to attend professional seminars and workshops. In 1997-98, staff attended the Association of Science and Technology Centres (ASTC) conference in St. Louis, Missouri, the American Association for the Advancement of Science conference in Seattle, Washington, and the International Space Theater Consortium (ISTC) conference in Vancouver, B.C.

The centre's staff excel at leadership roles in the science community. CEO Jim Marchbank joined the Ontario Tourism Industry working group to develop a Northern Ontario tourism strategy. Marchbank also represented Science North Enterprises on the Team Canada '98 trade mission to Central and South America, to market Science North exhibits and expertise to developing museums and science centres. During the 1997-98 fiscal year, Marchbank continued to serve as vice-president of the ISTC.

Senior Scientist Alan Nursall chairs the program sub-committee of the ASTC and is a regular host of a weekly science show on the Discovery Channel. Staff Scientists Kathy McDonald, Franco Mariotti and Mia Boiridy lend their expertise to local scientific conference planning groups and committees. Nicole Chiasson, assistant to the CEO, is judge-in-chief for the Sudbury Regional Science Fair and was appointed to the Grand Awards Committee for the Canada-wide Science Fair.

Science North continues to celebrate the achievements of all employees who have reached five, 10 and 15 years service. By the end of the 1998 fiscal year, Science North had a full-time staff contingent of 55 of whom 18 have five years service and 33 have 10 or more years service.

Volunteers

Each year, volunteers donate their time and expertise to every facet of Science North operations, from science programs to visitor services, to the Board of Trustees and committees. Science North now has 224 volunteers who committed over 12,000 hours service to the centre in 1997-98.

Board of Trustees and Committees

(as of March 31, 1998)

Science North Board of Trustees

Risto Laamanen - Chair
Ron Arnold - Vice Chair
Patricia Anderson
Desmond Anthony
Debra Bakker
Bruce Caughill
Eldon Gainer
James Gordon

Robert Johnson
Chris Kallio
Mark Laberge
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Science Program Committee

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Jeff Morton
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David Chellew
Gord Ewin
Robert Fera
Lin Gibson
Risto Laamanen - Chair

Ken Lilley
Robert Lipic
Phil Majerle
Dan McCartney
Lloyd Reed

Working Groups Lo-Ellen Partnership Committee

From Lo-Ellen
Claudette Courtice
Wade Elford
Mike O'Hagen
Pat O'Malley
Ron Presley

From Science North
Norma Henry
Brenda Koziol
John Large
Julie Moskalyk
Donna Salem

Student Advisory Group

Lauren Bonder
Christa Favot
Jing Ge
Leslie Giddings
Melissa Joseph
Suman Koka

Puja Kumar
Vinay Kumar
Patricia Lacasse
Amber Martin
Lucy McColl
Jessica Natale

Science North Staff

(as of March 31, 1998)

James Marchbank

Chief Executive Officer

Nicole Chiasson

Assistant to the CEO

Eileen Kotila

Administrative Assistant

David Pearson

Associate Director

Jennifer Pink

Director of Science

Program

Colleen Zilio

Director of Operations

Carolyn Thain

Director of Corporate

Services

Brenda Tremblay

Director of Sales &

Marketing

Alan Nursall

Senior Scientist

Cathy Stadder Wise

Operations Manager

Chantal Barriault

Louise Bergeron

Mia Boiridy

André Dumais

Perry Gauthier

Erik Labrosse

John Large

Franco Mariotti

Kathy McDonald

Julie Moskalyk

Wendy Runions

Staff Scientists

Donna Salem

Manager, Education & Events

Amanda Jopling

Staff Scientist

Norma Henry

Event Coordinator

Brenda Koziol

Big Nickel Mine Manager

Ron Lalancette

Physical Services Manager

Mark Gibson

Paul Loiselle

Bill Mann

Maintenance Technicians

Lazare Ferron

Don Greco

Carpenters

Tim Nykilchuk

Food Services Manager

Withold Goldgruber

Executive Chef

Thorsten Von Estorff

Sous Chef

Dave Kelly

Systems Engineer

Gabriel Trudel

Manager, Audio Visual Services

Tasio Gregorini

Audio Visual Technician

Kevin McArthur

Audio Visual Technologist

Robert Gagné

Producer

Gold Fever

David Lickley

Senior Producer

Wendy Cormie

Production Coordinator

Gina Barberio

Accountant

Denise McChesney

Accounts Payable Clerk

Pierrette Lacelle

Finance Clerk

Denise Fera

Human Resources Manager

Suzanne Desloges

Human Resources Assistant

Patricia McCauley

Marco Smith

Promotion Officers

Diane Drinkwater

Chief Designer

Astrid Colton

Mireille Wright

Graphic Designers

Janine Pigozzo

Visitor Services Manager

Diane Rossi

Carey Roy

Sales Leaders

Chloe Gordon

IMAX Theatre Manager

Jason Majkot

Chief Projectionist

In 1997-98, no employees were paid a salary, as defined in the Public Sector Salary Disclosure Act, 1996, of \$100,000 or more by Science North.



Financial Statement

Year ended March 31, 1998

AUDITORS' REPORT

To the Honourable Minister of Citizenship, Culture and Recreation of the Province of Ontario and the Board of Trustees of Science North

We have audited the balance sheet of Science North as at March 31, 1998 and the statements of operations and changes in fund balances, and changes in cash resources for the year then ended. These financial statements are the responsibility of Science North's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of Science North as at March 31, 1998 and the results of its operations, changes in fund balances and the changes in cash resources for the year then ended in accordance with generally accepted accounting principles.

KPMG

Chartered Accountants

Sudbury, Canada
May 13, 1998

Balance Sheet

March 31, 1998, with comparative figures for 1997

	General	Capital Asset	Restricted	1998 Total	1997 Total
Assets					
Current assets:					
Cash and short-term investments	\$ 148,636	-		148,636	357,360
Accounts receivable	373,044	-	280,000	653,044	277,481
Prepayments and inventory	148,362	-	-	148,362	121,498
Interfund accounts	(35,454)	75,500	(40,046)	-	-
	634,588	75,500	239,954	950,042	756,339
Other assets:					
Long-term investments	-	-	944,461	944,461	1,801,305
Accrued interest receivable	-	-	240,643	240,643	317,268
Deferred charges	26,246	-		26,246	-
	26,246	-	1,185,104	1,211,350	2,118,573
Capital assets (note 2)	-	23,550,879	-	23,550,879	24,220,642
	\$ 660,834	23,626,379	1,425,058	25,712,271	27,095,554
Liabilities and Fund Balances					
Current liabilities:					
Accounts payable and accrued liabilities	\$ 655,222	-	-	655,222	1,203,689
Current portion of loans payable (note 3)	-	14,980	-	14,980	38,206
	655,222	14,980	-	670,202	1,241,895
Long-term debt:					
Loans payable (note 3)	-	920,857	-	920,857	406,072
Interfund loan (note 4)		580,840	(580,840)	-	-
	-	1,501,697	(580,840)	920,857	406,072
Fund balances:					
General	5,612	-	-	5,612	(255,650)
Capital asset	-	22,109,702	-	22,109,702	23,776,364
Restricted (note 5)	-	-	2,005,898	2,005,898	1,926,873
	5,612	22,109,702	2,005,898	24,121,212	25,447,587
Commitments and contingent liabilities (note 6)					
	\$ 660,834	23,626,379	1,425,058	25,712,271	27,095,554

Statement of Operations and Changes in Fund Balances

Year ended March 31, 1998, with comparative figures for 1997

	General		Capital Asset		Restricted		Total	
	1998	1997	1998	1997	1998	1997	1998	1997
Revenue:								
Government grants	\$ 3,112,123	3,171,847		770,364			3,112,123	3,942,211
Admissions	2,137,136	1,838,238					2,137,136	1,838,238
Workshop programs	230,161	208,784					230,161	208,784
Memberships	224,590	247,374					224,590	247,374
Business operations	1,417,597	1,291,303			738,583	424,877	2,156,180	1,716,180
Gifts and donations	108,439	34,801	215,294	217,968			323,733	252,769
Other revenues	100,191	143,319			214,127	169,571	314,318	312,890
	7,330,237	6,935,666	215,294	988,332	952,710	594,448	8,498,241	8,518,446
Expenses:								
Science program	2,172,768	2,286,544			1,443	7,280	2,174,211	2,293,824
Business operations	3,512,616	3,252,648			557,747	401,901	4,070,363	3,654,549
Administrative support	748,653	773,070				6,266	748,653	779,336
Marketing and development	624,390	688,188					624,390	688,188
Program technical support	112,490	121,599					112,490	121,599
Loss on disposal of capital assets				29,691			-	29,691
Depreciation			2,094,509	2,079,504			2,094,509	2,079,504
	7,170,917	7,122,049	2,094,509	2,109,195	559,190	415,447	9,824,616	9,646,691
Excess of revenue over expenses (expenses over revenue)	159,320	(186,383)	(1,879,215)	(1,120,863)	393,520	179,001	(1,326,375)	(1,128,245)
Fund balances, beginning of year	(255,650)	125,737	23,776,364	24,341,270	1,926,873	2,108,825	25,447,587	26,575,832
Net change in Capital Asset Fund (note 7)	(212,553)	(555,957)	212,553	555,957			-	-
Interfund transfers (note 8)	314,495	360,953			(314,495)	(360,953)	-	-
Fund balance, end of year	\$ 5,612	(255,650)	22,109,702	23,776,364	2,005,898	1,926,873	24,121,212	25,447,587

Statement of Changes in Cash Resources

Year ended March 31, 1998, with comparative figures for 1997

	1998	1997
Cash provided by (used in):		
Operations:		
Excess of expenses over revenue	\$ (1,326,375)	(1,128,245)
Items which do not involve cash:		
Depreciation	2,094,509	2,079,504
Loss on disposal of capital assets	-	29,691
	768,134	980,950
Changes in non-cash operating working capital	(950,894)	419,362
	(182,760)	1,400,312
Financing and investing:		
Decrease in other assets	907,223	-
Increase in long-term debt	500,000	-
Additions to capital assets	(1,424,746)	(1,488,567)
Repayment of loans payable	(8,441)	(55,722)
Increase in other assets	-	(153,069)
	(25,964)	(1,697,358)
Decrease in cash and short-term investments	(208,724)	(297,046)
Cash and short-term investments, beginning of year	357,360	654,406
Cash and short-term investments, end of year	\$ 148,636	357,360

Notes to Financial Statements

Year ended March 31, 1998

Science North is an Agency of Her Majesty created under the Science North Act, 1986 by the Ontario Legislative Assembly. The principal activity of Science North is to provide stimulating learning opportunities and experiences throughout Northern Ontario in English and in French, for both residents and tourists, which involve people in the relationships between science and technology and everyday life with a Northern emphasis.

1. Significant accounting policies:

(a) Fund Accounting:

Because Science North receives funding for operational and special purposes, the financial statements are presented in a manner which segregates the following funds:

- General fund, which presents the day-to-day demonstrative, business, administrative and maintenance operations of Science North.
- Capital fund, which presents the assets, liabilities, revenues and expenses related to Science North's capital assets.
- Restricted fund, which presents the assets, liabilities, revenues and expenses which are restricted as to purpose and expendability and set aside by either the Board of Trustees, the Province of Ontario or other benefactors.

(b) Revenue recognition:

Science North follows the restricted fund method of accounting. Under this method, the following principles have been applied:

- Contributions are recorded as revenue in the respective funds based on their nature, source and the restrictions stipulated by the donor.
- Contributions including pledges and donations are recognized as revenue when received or receivable if the amounts can be reasonably estimated and collection is reasonably assured.

(c) Capital assets:

With the exception of the Bell Grove land which is recorded at nominal value, property and equipment are stated at cost or fair market value if donated.

Depreciation on exhibits and equipment is provided on the straight-line basis at annual rates ranging from 10% to 20%.

Depreciation on buildings is provided on the declining-balance basis at the annual rate of 5%.

(d) Investment income:

Science North allocates investment income earned on the following bases:

on general funds	-	to the General Fund
on restricted funds	-	to the Restricted Fund

2. Capital assets:

	1998		1997	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Buildings:				
Bell Grove	\$ 32,800,476	13,563,570	32,348,783	12,551,101
Big Nickel Mine	2,889,125	1,341,538	2,889,125	1,260,086
Exhibits and equipment:				
Bell Grove	16,103,409	13,385,911	15,159,079	12,412,716
Big Nickel Mine	244,659	195,771	215,936	168,378
	52,037,669	28,486,790	50,612,923	26,392,281
Less accumulated depreciation	28,486,790		26,392,281	
	\$ 23,550,879		24,220,642	

3. Loans payable:

Two non-interest bearing loans are payable to the Province of Ontario. The first loan of \$435,837 is repayable in annual installments, due June 30 each year, equal to 50% of the average annual profits from the IMAX theatre for the previous two fiscal years. The second loan of \$500,000 is repayable in annual installments, due May 1 each year, equal to 5% of revenues from the motion simulator ride during the year. The balance, if any, is due May 1, 2008.

4. Interfund loan:

The interfund loan is a loan from the Restricted Fund to the Capital Fund relating to the motion simulator ride which bears interest at 6.95% and is repayable over 7 years which commenced July 1, 1997.

5. Restricted fund:

The restricted fund is comprised of the following:

	1998	1997
Externally restricted:		
Capital renewal fund	\$ 1,650,856	1,483,741
Program and exhibit funds	134,596	172,285
	1,785,452	1,656,026
Internally restricted:		
Funds:		
Waterfront development	61,808	49,268
Other	9,315	107,312
Reserves for replacement of capital assets	149,323	114,267
	220,446	270,847
Total	\$ 2,005,898	1,926,873

6. Commitments and contingent liabilities:

- (a) Science North is the creator and executive producer of an IMAX format film on the subject of gold. An arms length company has been established to produce the film and Science North is participating in the project in three ways. It has been retained to provide production services for which it will be paid at industry rates, it owns the exclusive world-wide film distribution rights and it retains exhibition rights for its own theatre.

Science North has guaranteed to arrange funding of \$1.4 million for the completion of film production through a variety of means. Until such funding is completed, Science North has agreed to loan up to this amount, as needed, with interest at prime plus 2%. Science North is committed to expend not less than \$700,000 in distribution expenses over the next two fiscal years, fully recoupable in first position from all film distribution revenues. Science North has guaranteed the completion of the film and is liable to the investors in the film for their investments and costs. At year end, the film is on schedule and on budget.

- b) Science North has issued a \$250,000 letter of credit to its payroll service provider and a letter of credit of approximately \$128,000 to a customer.

7. Net change in Capital Asset Fund:

The net change in Capital Asset Fund is comprised of the net unrestricted transfer from the operating fund to the Capital Asset Fund for the purchase of capital assets.


8. Interfund transfers:

The interfund transfers are comprised of:

- a) net assets of \$388,397 which were internally allocated from the Restricted Fund to the General Fund, representing \$108,397 (1997, \$275,681) to cover certain one time operating expenditures and \$280,000 (1997, Nil) in profits from film distribution to cover the purchase of science program equipment, and
- b) \$73,902 (1997, \$85,272) in net assets which were internally allocated from the General Fund to the Restricted Fund for future capital acquisitions

9. Comparative Figures

In 1998, the method of presentation was changed to reflect the new accounting and disclosures requirements for not-for-profit organizations and certain comparative figures have been reclassified accordingly.



Auditors' Report on Supplementary Financial Information

To the Honourable
Minister of Citizenship,
Culture and
Recreation of the
Province of Ontario and
the Board of Trustees of
Science North

We have audited and reported herein on the financial statements of Science North as at and for the year ended March 31, 1998.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements of Science North taken as a whole. The supplementary information included in the following schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

KPMG

Chartered Accountants

Sudbury, Canada
May 13, 1998

Schedule of Revenue and Expenses

Year ended March 31, 1998, with comparative figures for 1997

	General		Restricted	
	1998	1997	1998	1997
Revenue:				
Government grants:				
Province of Ontario grants				
Operating	\$ 2,806,200	2,953,900		
Specific	232,207	84,484		
	3,038,407	3,038,384		
Government of Canada grants	73,716	133,463		
	\$ 3,112,123	3,171,847		
Admissions:				
IMAX Theatre admissions	\$ 959,144	936,449		
Science Centre admissions	631,270	646,533		
Big Nickel Mine admissions	241,129	255,256		
Virtual Voyages admissions	305,593			
	\$ 2,137,136	1,838,238		
Business operations:				
Food sales	\$ 1,273,115	1,149,845		
Exhibit sales			258,583	424,877
Film production services			480,000	
Gift shop commissions	89,908	89,009		
Parking	54,574	52,449		
	\$ 1,417,597	1,291,303	738,583	424,877
Other revenues:				
Interest earned	\$ 30,941	69,064	197,020	153,069
Miscellaneous	69,250	74,255	17,107	16,502
	\$ 100,191	143,319	214,127	169,571
Expenses:				
Science program:				
Science Centre operations	\$ 1,434,711	1,393,349	1,443	7,280
Outreach programs	562,814	707,721		
Big Nickel Mine	175,243	185,474		
	\$ 2,172,768	2,286,544	1,443	7,280
Business operations:				
IMAX Theatre	\$ 971,184	929,353		
Virtual Voyages	165,990			
Food service	1,036,638	935,194		
Box office and sales	609,182	579,805		
Maintenance and building	729,622	808,296	50,115	34,879
Cost of exhibit sales			307,632	367,022
Cost of film services			200,000	
	\$ 3,512,616	3,252,648	557,747	401,901



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